



# Washington Human Resources

*Building human resource excellence for tomorrow*

Winter 2003

## Learn More About Civil Service Reform

For additional information about civil service reform and to find out what it means to you:

- **Visit the HR 2005 web site at <http://hr.dop.wa.gov/hrreform>.** While you're there, sign up for the **HR 2005 listserv** to have the most current news delivered right to your email inbox.
- **Contact your agency's human resource office.** Your HR staff is the best source of information specific to your agency.
- **Call the Public Employment Relations Commission at 360.570.7300** for more information about bargaining units.

## Reform Will Result in New Human Resource System

The civil service reform and collective bargaining legislation passed in 2002 includes three components which will bring sweeping changes to the state's civil service system:

- Scope of collective bargaining is expanded.
- Contracting out is allowed.
- A new human resource system will be created.

Several state agencies share responsibility for implementing the new law. The Office of Financial Management has primary responsibility for collective bargaining. The Department of General Administration will write the rules for the contracting out process. The Department of Personnel (DOP) has the lead in the development and implementation of the new human resource system. Most of these changes will be implemented by July 2005.

### Designing a New Human Resource System

The current human resource system has been in place since 1960, and is overly complex, rigid, and cumbersome. This legislation presents the extraordinary opportunity to create a new, modern system, including new rules and processes for hiring, classification and compensation, performance management, training, corrective and disciplinary action, reduction-in-force, and other aspects of human resource management.

DOP has completed extensive research on customer needs and on the trends and best practices among other employers to provide a basis for designing key components of the new system.

Several interagency teams are working on initial design concepts. These concepts will be available for review and discussion within the next four to six months. Information and feedback sessions will be held throughout the state to give employees the opportunity to review the proposed design concepts, ask questions, and voice their opinions. Dates and locations will be announced through the HR2005 web site, listserv, agency HR offices, and printed notices.

# State Employees Weigh in on Preferences for New Human Resource System

One of the most critical steps in developing the state's new human resource (HR) system is to ensure that it supports and is responsive to the needs and preferences of state employees and managers. In order to obtain objective, up-to-date information, the Department of Personnel conducted extensive customer research from June into October 2002.

Approximately 4,600 employees, managers, and HR professionals provided input through surveys and focus groups. They voiced strong interest and opinions on various aspects of the personnel system, and contributed nearly 1,200 pages of written comments. The research indicates

overwhelming support for a much simpler, more flexible HR system that is fair to all.

## **Recognize Performance**

Respondents weighed in strongly that the existing compensation system is inflexible, does not adequately support specific position needs, and, especially, does not recognize employee performance. Factoring in performance when assigning or adjusting salaries was supported by 74% of employees and 81% of managers. Participants emphasized that such decisions must be made fairly and must be based on clearly understood criteria.

Similarly, approximately 68% of employees and 87% of managers felt that performance should be a factor in layoff decisions, with the majority indicating it should be considered in combination with seniority. Many indicated that job security is very important, but at the same time, that resources are best utilized by retaining the more productive employees.

Those who felt that longevity should continue to be the sole basis for salary increases and layoff decisions expressed concern that performance could not be objectively measured and that factoring in performance would lead to abuse and favoritism.

The importance of strong, effective performance

management came up repeatedly in a wide range of comments relating to setting clear expectations, providing feedback and coaching, recognizing good work, and addressing problem performance or behavior. The most common concern was the need to hold managers accountable for completing timely and meaningful evaluations.

## **Support Employees**

Another recurring theme was the importance of designing a system that focuses on the vast majority of state employees who are dedicated, hard working good performers. It is also important that all of the components work together as an entire package that supports managers' ability to manage effectively and employees' healthy career growth and daily job satisfaction.

## **Report Available**

The foregoing represents a brief summary of the research findings; a full report is available on the HR2005 web site at <http://hr.dop.wa.gov/hrreform>. This research, together with an analysis of HR best practices, provides strong direction for initial design of the key components of the new system. Further customer review and feedback will be sought at milestones in the development of those components.

## **Your Opinion Matters!**

The Department of Personnel would like to hear from you. To provide feedback on the new human resource system, go to the HR2005 web site at <http://hr.dop.wa.gov/hrreform> and click on the "feedback form" icon.

Also plan on attending the information and feedback sessions that will be held throughout the state later this year (see article on first page for more information).

# Research Reveals Trends and Best Practices in Modern Human Resource Systems

The Department of Personnel conducted extensive research on the HR systems of other public and private sector employers to identify options, trends, and best practices.

This research, together with customer research, will provide a foundation for designing the state's new human resource system.

## Current Trends

The overall trend among both public and private sector employers is toward more flexible, decentralized human resource systems that support the strategic goals of the organization.

As organizations modernize their human resource systems, they tend to place greater emphasis on performance as a key factor in all types of HR decisions, including compensation, promotion, layoff, and re-employment from layoff. Successful attainment of pre-defined, well-articulated goals becomes the basis for monetary and other rewards. Performance assessment is done on a regular basis and is viewed as a critical component of staff management.

States and other public sector jurisdictions are using various methods to streamline their classification systems. They are also moving towards more flexible compensation systems with broad salary bands and/or pay options that allow for

recognition of labor market shortages; education, training, and skill development; and performance awards for both individuals and groups.

States and other public jurisdictions face common challenges to attract qualified applicants and address growing turnover rates. Significant improvements center around streamlining recruitment and selection procedures, decentralizing functions and authority, eliminating or substantially changing burdensome

requirements, and automating hiring processes.

## Learn More

These are just a few of the highlights of the research findings. The full Human Resource Systems Research Report is available on the HR2005 web site at <http://hr.dop.wa.gov/hrreform>.



## Contracting Expanded under New Law

Under the Personnel Systems Reform Law, contracting out of services that have “customarily and historically been provided by state employees” will be allowed, effective July 1, 2005.

While General Administration (GA) will establish rules that govern the bid process, the law provides parameters and includes built-in protections for state employees. For example, an agency must determine that contracting out will result in cost savings or efficiency improvements prior to soliciting bids. Additional criteria include:

- Existence of a competitive market;
- Measurable performance standards;
- A monitoring process; and
- Consideration of the risk associated with failed performance by the contractor.

It is further mandated that an agency must allow employees an opportunity to offer alternatives and to compete for the work. If an outside vendor wins the bid, displaced employees must be considered for job openings.

Recognizing that the bid process is unfamiliar to most state employees, DOP will partner with GA to develop a training program to teach employees about the bid process and how to prepare a competitive bid.

# Frequently Asked Questions

## Who will be affected by collective bargaining?

The collective bargaining portion of the new civil service reform law applies only to state employees who are members of a bargaining unit.

It will not apply to those who are not members of a unit or to staff in the Department of Personnel, the Office of Financial Management, and portions of the Attorney General's Office; to Washington Management Service and exempt employees; or to employees in confidential positions, such as internal auditors.

## How do I know if I'm in a bargaining unit?

Contact your agency's human resource office. Your HR staff can tell you if your position is included in a bargaining unit and are your best resource for other civil service information specific to your agency.

## Is it likely that my job will be contracted out?

Contracting out provisions do not apply until July 2005 and it is up to each agency to determine whether any of its functions would benefit from competitive contracting. At this time, no one knows which specific jobs or functions may

be contracted out.

What we do know is that the new law contains a number of built-in protections for state employees. For example, affected workers must be given an opportunity to offer alternatives before an agency solicits bids, and employees may compete for the work.

Please see the article on the previous page to learn more.

## Is it true that seniority won't matter in the new system?

No. Seniority will continue to play an important role, though it may not be the sole factor in pay and layoff decisions. Customer research indicated a strong preference for basing such decisions on a combination of seniority and performance. Therefore, proposals for the new system (which will cover employees who are not in bargaining units) are likely to include a method for factoring both into pay and layoff decisions. Employees will have the opportunity to provide input on proposed changes at key points in the development process.

Employees who belong to a bargaining unit will be governed by the terms of their union contract.

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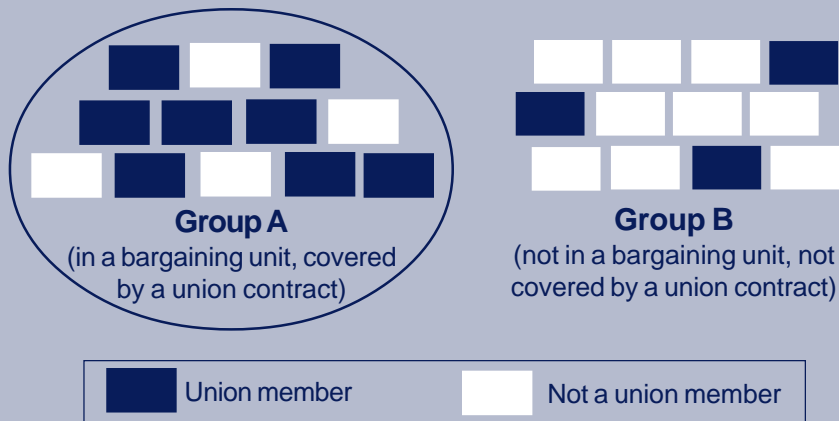


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## What's the difference between belonging to a bargaining unit and belonging to a union?

A bargaining unit is made up of a group of people in positions with similar job duties and interests who are represented by an exclusive representative (i.e., a union). Every position in a bargaining unit is governed by the bargaining agreement (union contract) negotiated by its union representative.

On the other hand, if a person's position is not included in a bargaining unit, he/she will not be governed by the terms of the union contract, regardless of whether he/she is a member of the union, as illustrated below.



Contact the Public Employment Relations Commission at 360.570.7300 for more information.